

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01 PRS-01 USIA-06

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R 282141Z FEB 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 3167

INFO AMEMBASSY CARACAS

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE PAMA 1176

E.O. 11652: N/A

TAGS: EFIN, PN

SUBJECT: VENEZUELAN OIL SCHEME

REF: (A) STATE 31596; (B) GUATEMALA 913; (C) PANAMA 7201

1. BANCO NATIONAL'S CONCEPTION OF HOW VENEZUELA OIL FINANCING SCHEME WILL WORK CORRESPONDS GENERALLY TO THAT OUTLINED IN REF B, BUT BANK OFFICIALS REMAIN UNCLEAR AS TO EXACT OPERATING MECHANISM. THEY AWAIT VISIT O VENEZUELAN MISSION DURING MARCH TO WORK OUT DETAILS. OFFICIAL MOST DIRECTLY CONCERNED BELIEVES THAT PAYMENT FOR OIL SHIPMENTS UNDER THE ESTABLISHED QUOTA IN EXCESS OF \$6 A BARREL WILL BE DEPOSITED LOCALLY AT BANCO NACIONAL, PROBABLY TO A VENEZUELAN ACCOUNT. HE BELIEVES FUNDS SO GENERATED WILL BE AVAILABLE FOR DEVELOPMENT PROJECTS ONLY AND THAT PANAMA

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"ACCEPTED" PARTICIPATION IN SCHEME IN PRINCIPLE AS A

PARTY TO GUYANA DECLARATION.

2. PLANNING MINISTRY HAS ESTIMATED THAT OPERATION OF SCHEME WILL PROVIDE UP TO \$18 MILLION IN AID DURING 1975, ASSUMING IT IS IN OPERATION BY END OF FIRST QUARTER AS ORIGINALLY CONTEMPLATED AND THAT PANAMA'S QUOTA REMAINS AS FIRST PUBLISHED (13,000 BARRELS DAILY). BASIS FOR QUOTA REMAINS UNCLEAR, AS IT DOES NOT APPEAR TO RELATE TO RECENT OIL IMPORT FIGURES (EITHER GLOBAL OR FROM VENEZUELA--SEE REF C) OR EVEN COVER LOCAL REQUIREMENTS FOR ELECTRIC POWER GENERATION (ESTIMATED AT 20,000 BARRELS DAILY). IF OIL FINANCING REACHES \$18 MILLION TOTAL, IT WOULD STILL REPRESENT LESS THAN ONE-QUARTER OF PLANNING MINISTRY'S PROJECTION FOR PANAMA'S 1975 NET DEFICIT OF VALUE OF IMPORTS OF CRUDE OVER EXPORTS OF REFINED PETROLEUM PRODUCTS (\$85 MILLION).

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Message Attributes

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